



AR32







Throughout history the obscure village has often been the birthplace of ideas and inventions that have conferred benefits on large segments of mankind. From the genius of Joseph Armand Bombardier of Valcourt, has come mobility over the once forbidding winter land and the beginning of a bright new world of outdoor living.

Si vous préférez recevoir ce rapport en français,  
veuillez vous adresser au secrétaire, Bombardier Limitée,  
Valcourt, Qué., Canada

# BOMBARDIER LIMITED / ANNUAL REPORT 1969-70

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## HEAD OFFICE

Bombardier Limited  
Valcourt, P.Q. Canada

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## REGISTRAR, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

Montreal Trust Company  
Halifax, Quebec, Montreal, Toronto,  
Winnipeg, Calgary and Vancouver

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## STOCK EXCHANGE LISTINGS

Montreal, Toronto

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# BOARD OF DIRECTORS AND MANAGEMENT

## BOARD OF DIRECTORS

Laurent Beaudoin  
Valcourt, P.Q.

Gaston Bissonnette  
Valcourt, P.Q.

André Bombardier  
Valcourt, P.Q.

John N. Cole  
Westmount, P.Q.

Jean-Louis Fontaine  
Valcourt, P.Q.

Jean-Paul Gagnon  
Québec, P.Q.

Charles Leblanc  
Sherbrooke, P.Q.

## MANAGEMENT

Laurent Beaudoin, C.A.  
President and general  
manager

Charles Leblanc, Q.C.  
Executive vice-president  
and secretary

Jean-Paul Gagnon, C.A.  
Vice-president, finance

André Bombardier, M.Com.  
Vice-president, Industrial  
products division

Jean-Louis Fontaine, Eng.  
Vice-president, production  
Recreational products  
division

Gaston Bissonnette  
Vice-president  
Research and development  
Recreational products  
division

John W. Hethrington, M.B.A.  
Vice-president, marketing  
Recreational products  
division

Pierre Poitras, C.A.  
Assistant vice-president,  
finance

Réal Perras, C.A.  
Assistant vice-president,  
administrative planning

Pierre Alain, M.B.A.  
Assistant vice-president,  
industrial relations

## MANAGEMENT OF SUBSIDIARIES AND AFFILIATED COMPANIES

Helmut Rothe  
General manager  
Bombardier-Rotax G.m.b.H.  
Wels, Austria

Fernand Bédard  
General manager  
Rockland Industries Ltd.  
Kingsbury, P.Q., Canada

Gérard Deslauriers, C.A.  
General manager  
La Salle Plastics Inc.  
Richmond, P.Q., Canada

Roger L'Espérance  
General manager  
Roski Limited  
Roxton Falls, P.Q. Canada

Léo Vadeboncoeur  
General manager  
Jarry Precision Ltd.  
Ville de Laval, P.Q. Canada

Gaston-Guy Pelletier  
General manager  
Bombardier (Québec)Ltd.  
Ville d'Anjou, P.Q., Canada

William J. Jackson  
General manager  
Bombardier (Ontario) Ltd.  
Barrie, Ont., Canada

Paul Mathieu  
General manager  
Bombardier Inc.  
San Jose (Calif.), U.S.A.

Jean J. Martin  
General manager  
Ski-Doo West Inc.  
Denver (Colorado), U.S.A.

Jacques Vasseur  
General manager  
Bombardier A B  
Stockholm, Sweden

Marvin Walker  
President and General  
manager,  
Walker Manufacturing Co.  
Ltd.

Ski-Doo Sports Ltd.  
Montréal, P.Q. Canada

Gérard Paris  
President and  
General manager  
Ville-Marie Upholstering Ltd.  
Beauport, P.Q., Canada

Doug Dehnert  
General manager  
Doug's Inc.  
Virginia (Minn.), U.S.A.



# BOARD OF DIRECTORS



Gaston Bissonnette

Charles Leblanc

André Bombardier





Laurent Beaudoin

Jean-Paul Gagnon

John N. Cole

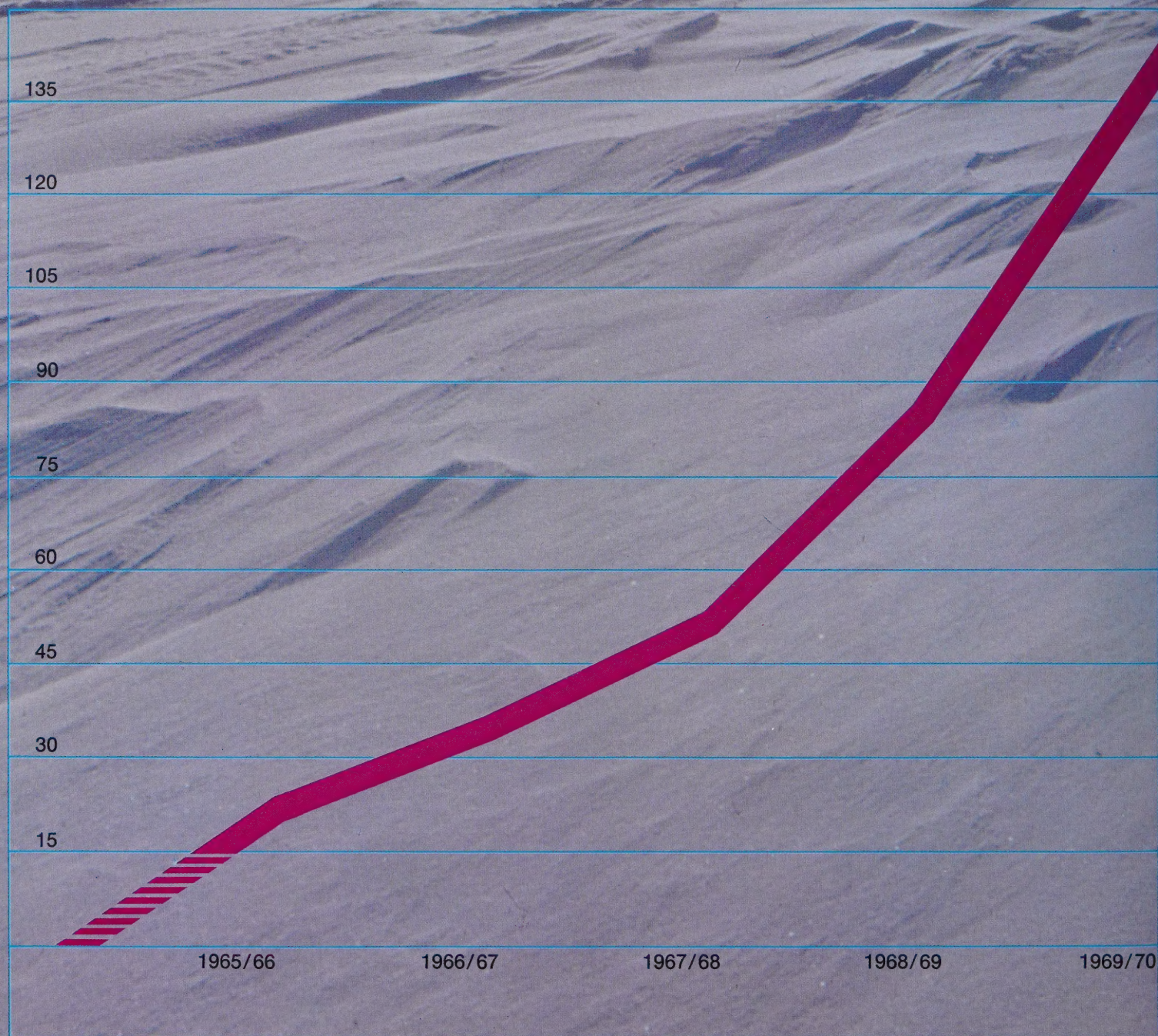
Jean-Louis Fontaine



# FIVE YEARS OF PROGRESS



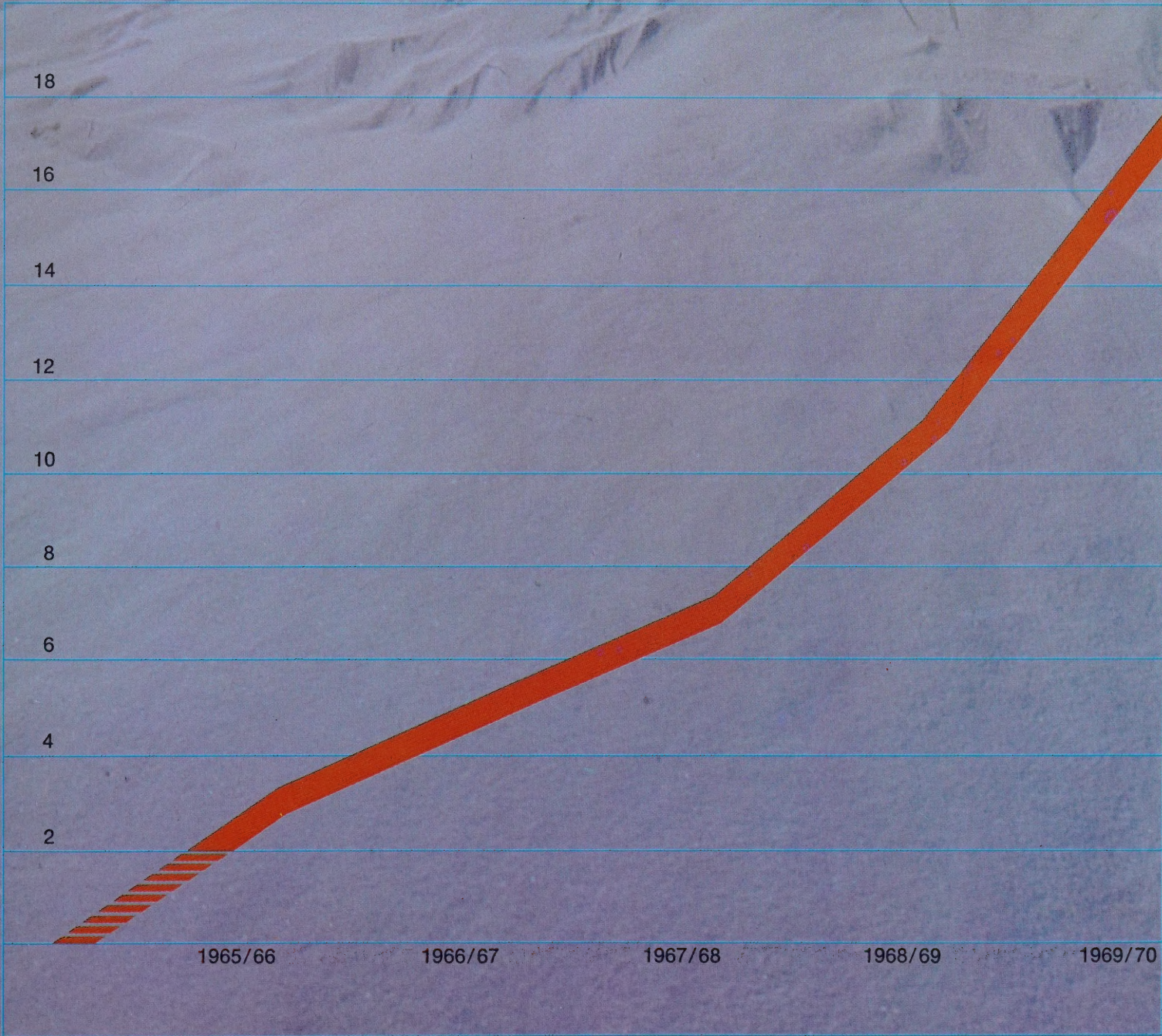
Bombardier Limited and Subsidiaries/Sales (in millions of dollars)







Bombardier Limited and Subsidiaries/Earnings (in millions of dollars)





# PRESIDENT'S REPORT

Bombardier Limited has made outstanding strides over the past few years. At the close of the fiscal year ending on January 31, 1970, it has proved itself to be one of the most important industrial and commercial organizations in Canada. The sustained growth it has shown during that time, together with the large-scale goals advocated by its Board of Directors, have further enhanced its influence throughout the world.

Doubtless, one of the most significant decisions taken by the management was to convert the structure of the Company from a private to a public corporation. As a result, two million shares were put on the market, and the name Bombardier is now listed on both the Montreal and Toronto Stock Exchanges. Thus, not only were numerous investors able to participate in the Company's expansion, but also a far greater operational efficiency was attained, with increased power and versatility. Also, by creating a market for its shares, Bombardier was able to consider financial operations of greater dimensions to meet with its vertical and horizontal expansion.

A little more than a decade ago, Rockland Industries Ltd. became the first milestone in this expansion program, followed shortly by Roski Limited. We acquired La Salle Plastics Inc., together with the purchase of 50% of the shares belonging to Ville-Marie Upholstering Ltd. Recently, Jarry Precision Ltd. became a member of the Bombardier group, thereby assuring our company of a still greater source of supply of parts and accessories.

In the past few months, we have further consolidated this vertical expansion by acquiring the Austrian company, Lohnerwerke G.m.b.H. The principal assets consisted of more than 98% of shares issued by its subsidiary Rotax-Werk AG. Thus, Bombardier obtained complete control over the manufacture of all the engines for its sports vehicles, while at the same time intensifying its interests both in scope and variety. Subsequently, both Austrian companies were merged under the name of Bombardier-Rotax G.m.b.H. In furthering its vertical expansion, Bombardier strengthened its position, gaining simultaneously, through its efficient control of the entire production line, a pre-eminent position on the snowmobile market. Bombardier has become in its field one of the few companies in the world to benefit from a total operational structure through its acquisitions to allow it unequalled freedom of action and adaptability. The financial statements of the Company for the year ending on January 31, 1970 declare sales of \$141,784,229 and a net revenue of \$16,822,274. Such figures provide ample evidence of the Company's success and more than justify its aspirations and plans for the coming decade. The current year augurs well and we foresee a sizeable increase in business.

It is evident that the upward trend of the Company will continue since the snowmobile has unquestionably become a consumer product. It has ushered in a new epoch, a new way of life. It is an unequalled source of pleasure, and has given rise to a new international sport. The snowmobile market is assured of continued expansion due to the ever-increasing demand not only in North America, but also in Scandinavia and other parts of Europe, thus establishing world-wide prestige for our Company.

Since the introduction of the snowmobile ten years ago, Bombardier Limited has occupied first place among its competitors, a position which we intend to maintain. Our Company manufactures a product recognized for its

unsurpassed quality and performance. We are the leaders in research in the industry, a field to which we assign an important part of our budget every year.

Fully aware of the importance of the safety aspects both in the actual vehicle and its use, Bombardier has created several public education programs which it intends to perfect and enlarge in the coming year.

The internal reorganization which took place in 1969, when recreational and industrial products were divided into entirely separate divisions, is now showing positive results. In 1969, we had a marked increase in the sales of our industrial vehicles which undoubtedly will be reflected by a similar increase in production in the next few months. The floor area occupied by this department has now doubled, permitting efficient organization and greater autonomy for this division.

Likewise, significant extensions have been made to our machine shops geared to recreational products, and to those of several of our affiliated companies in which ultra modern machinery equipment has been installed. The expenditure incurred in this expansion program has exceeded \$10,000,000 in 1969. We plan, moreover, in the current year to add further to our plants and offices, and to acquire new equipment.

Our main effort will be to continue to focus on increased productivity. The expansion which last year had been mainly vertical will now spread horizontally as well, as we intend to develop various markets for the parts and products manufactured by our subsidiaries or affiliated companies. We have already taken this step by participating in Ski-Doo Sports Ltd. and Walker Manufacturing Co. Ltd.

Bombardier Limited is continually in search of new methods and ideas which will enable it to expand its field of operation, offer a greater variety of products, increase its revenues and assure the public of better service. In order to achieve its objectives, Bombardier counts on the proficiency of its personnel. We wish to acknowledge the efficiency, enthusiasm and dynamism shown by our employees at all levels of operation. Inspired by this type of cooperation, Bombardier Limited can face the future with confidence and optimism.

Laurent Beaudoin, C.A.  
President and General Manager.





## CONSOLIDATED RESULTS IN BRIEF

	1969-1970	1968-1969
Sales	\$141,784,000	\$ 88,939,000
Net earnings	16,822,000	11,093,000
Capital expenditures	10,463,000	5,191,000
Income taxes	19,642,000	12,963,000
Depreciation of fixed assets and amortization of patents	3,833,000	1,743,000
Earnings per share	\$1.12	\$0.74
Dividends per Class "A" common share	0.50	—
Dividends per Class "B" common share	0.10	—
Working capital (end of year)	\$14,775,000	\$14,300,000
Net book value of fixed assets (end of year)	16,620,000	10,082,000
Shareholders of record (end of year)	5,397	7
Number of subsidiaries (end of year)	9	6
Number of employees (at peak)	6,209	3,776



# FINANCIAL STATEMENTS 1969-70

Year ended January 31, 1970





# CONSOLIDATED STATEMENTS OF EARNINGS AND OF RETAINED EARNINGS

## STATEMENT OF EARNINGS

	Financial year ended January 31, 1970		Ten months ended January 31, 1969	
Net Sales		\$141,784,229		\$ 88,939,429
Cost of Sales	\$ 85,251,659		\$ 54,748,321	
Selling and Administrative Expenses	16,123,469	101,375,128	8,937,540	63,685,861
		40,409,101		25,253,568
Depreciation of Fixed Assets and Amortization of Patents (Notes 3 and 6)	3,832,618		1,743,135	
Other Expenses	890,927	4,723,545	518,100	2,261,235
		35,685,556		22,992,333
Investment and other Income		779,153		958,347
Earnings before Taxes on Income		36,464,709		23,950,680
Taxes on Income		19,642,435		12,963,019
Net Earnings before Extraordinary Item		16,822,274		10,987,661
Profit on Sale of Marketable Securities		—		105,275
Net Earnings		\$ 16,822,274		\$ 11,092,936
Net Earnings per Common Share*		\$ 1.12		\$ 0.74

\* On the basis of 15,000,000 shares, being the number of shares outstanding before the issue of 900,000 shares under date of January 20, 1970.

## STATEMENT OF RETAINED EARNINGS

	Financial year ended January 31, 1970		Ten months ended January 31, 1969	
Balance at Beginning of Year		\$ 25,798,599		\$ 15,333,407
Net Earnings		16,822,274		11,092,936
		42,620,873		26,426,343
Dividends (Note 7)		2,412,500		—
Excess of Cost of Shares of Consolidated Subsidiary Companies over book value of net assets, at dates of acquisition		—		627,744
Balance at End of Year		\$ 40,208,373		\$ 25,798,599



# CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

## SOURCE OF FUNDS

	Financial year ended January 31, 1970	Ten months ended January 31, 1969
Net Earnings	\$ 16,822,274	\$ 11,092,936
Depreciation of Fixed Assets and Amortization of Patents	3,832,618	1,743,135
Decrease in Mortgages Receivable	10,009	105,981
Long-Term Debt	155,078	—
Realization of Investments	—	600,000
Issue of Capital Stock	18,000,000	—
Notes Payable (Note 8)	5,577,000	—
Special Refundable Tax	—	284,641
	<u>44,396,979</u>	<u>13,826,693</u>

## APPLICATION OF FUNDS

Additions to Fixed Assets, net of disposals	10,463,466	5,191,423
Purchases of Investments	31,045,811	240,500
Dividends	2,412,500	—
	<u>43,921,777</u>	<u>5,431,923</u>
Increase in Working Capital	475,202	8,394,770
Working Capital at Beginning of Year	14,299,906	5,905,136
Working Capital at End of Year	<u>\$ 14,775,108</u>	<u>\$ 14,299,906</u>



# CONSOLIDATED BALANCE SHEET AS AT JANUARY 31, 1970

(with comparative figures as at January 31, 1969)

## ASSETS

	1970	1969
<b>CURRENT ASSETS</b>		
Cash	\$ 7,764,675	\$ 13,022,760
Accounts Receivable	5,457,390	3,882,786
Inventories (Note 2)	13,891,779	9,544,031
Prepaid Expenses	816,666	308,116
Special Refundable Tax	109,224	208,216
	<u>28,039,734</u>	<u>26,965,909</u>
<b>FIXED ASSETS</b>		
Land, Buildings, Equipment, Aircraft and Miscellaneous, less Accumulated Depreciation (Note 3)	<u>16,775,552</u>	<u>10,082,149</u>
<b>INVESTMENTS</b>		
In a non-consolidated subsidiary (Note 4)	31,034,456	—
In 50% owned companies (Note 5)	544,250	533,500
Marketable Securities, at cost (Market value 1970 \$222,230; 1969 \$230,250)	<u>242,855</u>	<u>242,250</u>
	<u>31,821,561</u>	<u>775,750</u>
<b>OTHER ASSETS</b>		
Mortgages Receivable	112,410	122,419
Patents, less Accumulated Amortization (Note 6)	<u>496,753</u>	<u>559,308</u>
	<u>609,163</u>	<u>681,727</u>
	<u>\$ 77,246,010</u>	<u>\$ 38,505,535</u>

On behalf of the Board

Laurent Beaudoin, C.A.

Jean-Paul Gagnon, C.A.



**LIABILITIES**

	1970	1969
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities –		
Non-consolidated subsidiary	\$ 1,136,367	\$ —
Affiliated companies	40,682	—
Other creditors	5,266,615	4,338,292
Bank loan	—	115,000
Taxes on Income	6,458,462	8,212,711
Dividends payable (Note 7)	362,500	—
	<u>13,264,626</u>	<u>12,666,003</u>
NOTES PAYABLE (Note 8)	5,577,000	—
LONG-TERM DEBT (Note 9)	<u>155,078</u>	<u>—</u>

**SHAREHOLDERS' EQUITY**

CAPITAL STOCK (Note 10)	18,040,933	40,933
RETAINED EARNINGS	40,208,373	25,798,599
	<u>58,249,306</u>	<u>25,839,532</u>
	<u>\$ 77,246,010</u>	<u>\$ 38,505,535</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. BASIS OF CONSOLIDATION:**

The consolidated financial statements include the accounts of all subsidiaries, except those of Lohnerwerke Gesellschaft m.b.H. (Austria) and its subsidiary Rotax-Werk Aktiengesellschaft, acquired on January 20, 1970.

The companies whose financial statements have been consolidated are: Bombardier Aktiebolag, Bombardier Inc., Bombardier (Ontario) Ltd., Bombardier (Quebec) Ltd., La Salle Plastics Inc., Rockland Industries Ltd., and Roski Ltd. These companies are the same as those of which the financial statements have been consolidated as at January 31, 1969, except Bombardier Inc., a wholly-owned subsidiary, which commenced operations during the year and has its head office in San Jose, California, U.S.A.

The cost of fixed assets paid in foreign currency has been converted into Canadian dollars at the rates of exchange prevailing on dates of acquisition. All other accounts of consolidated foreign subsidiaries have been converted into Canadian dollars at the appropriate rates of exchange.

**2. INVENTORIES:**

Inventories are valued at the lower of cost or net realizable value and consist of the following:

Raw materials		\$ 5,305,899	
Products in process		916,440	
Finished products – Vehicles	\$ 1,676,495		
Parts	5,992,945	7,669,440	
		<u>\$13,891,779</u>	

**3. FIXED ASSETS:**

Fixed assets are valued at cost and the accumulated depreciation is equal to the capital cost allowance claimed for income tax purposes.

	Cost	Accumulated depreciation	Net book value
Land	\$ 301,773		\$ 301,773
Buildings	8,427,612	\$ 1,135,150	7,292,462
Equipment	14,284,188	6,563,914	7,720,274
Aircraft	2,228,720	1,257,121	971,599
Others	569,834	80,390	489,444
	<u>\$25,812,127</u>	<u>\$ 9,036,575</u>	<u>\$16,775,552</u>

**4. INVESTMENT IN A NON-CONSOLIDATED SUBSIDIARY:**

The amount shown on the balance sheet is the purchase price of a 100% interest in the capital of Lohnerwerke Gesellschaft m.b.H., plus expenses relating thereto.

Lohnerwerke Gesellschaft m.b.H. and its subsidiary Rotax-Werk Aktiengesellschaft (98.144% owned) have their financial year end on September 30.

According to the consolidated financial statements prepared by the Austrian auditors, Alpen-Treuhand Aktiengesellschaft, for the financial year ended September 30, 1969, the book value of the Company's interest in that subsidiary is \$9,125,033. During the year ended on the same date, consolidated net sales amounted to \$27,825,532 and consolidated net earnings were \$3,718,474 after total depreciation of \$857,882. Its consolidated working capital amounted to \$5,936,810 on the same date.

**5. INVESTMENTS IN 50% OWNED COMPANIES:**

These investments are valued at cost. Following is a list of said investments and their book value according to the last respective balance sheet for the financial year ended during the financial year of the Company:

	Cost	Book value
Ville-Marie Upholstering Ltd.		
50 Preferred shares of \$10 each, 5% non-cumulative	\$ 500	\$ 500
50 Common shares of \$10 each	240,000	257,371
Ski-Doo Sports Ltd.		
150 Preferred shares of \$100 each, 6% non-cumulative	15,000	15,000
1,500 Common shares of \$10 each	15,000	126,938
Walker Manufacturing Co. Ltd.		
18,000 Preferred shares of \$1 each, 6% non-cumulative	18,000	18,000
2,000 Common shares of \$1 each	187,000	141,582
Loan	58,000	58,000
Doug's Inc.		
500 Common shares without nominal or par value	10,750	10,750

The Company's proportion of the aggregate profits of those companies earned since the acquisition of 50% of their shares amounts to: 1967 — \$14,835; 1968 — \$36,522; 1969 — \$4,234; 1970 — \$237,785. These amounts have not been included in the Consolidated Statement of Earnings.



## 6. PATENTS:

Patents are valued at cost and the amortization thereon is included in the Consolidated Statement of Earnings under "Depreciation". Each patent is amortized according to its lifetime.

Cost		\$	755,000
Accumulated amortization			
January 31, 1969	\$	195,692	
1969/70 financial year		62,555	
January 31, 1970			258,247
Book value	\$		496,753

## 7. DIVIDENDS:

During the year, the Company has declared four 12½¢ dividends on its Class A Common Shares. Three of them were paid on June 15, September 15 and December 15, 1969 respectively, the fourth one being payable March 15, 1970. The Company has also paid a dividend of 10¢ on each of its Class B Common Shares on December 3, 1969.

## 8. NOTES PAYABLE:

These notes mature on December 1, 1970, and bear interest at the rate of 7% per annum since the date of issue, January 20, 1970. They constitute the balance of the purchase price of the non-consolidated subsidiary Lohnerwerke Gesellschaft m.b.H.

As the working capital of the Company would not have been materially affected had the accounts of that subsidiary been consolidated, the notes payable have been excluded from current liabilities.

## 9. LONG-TERM DEBT:

During the year one of the subsidiaries, Bombardier (Ontario) Ltd., has acquired the building in which it operates. A mortgage secured by the building is payable by equal and consecutive monthly instalments of \$1,992 each, including principal and interest at the rate of 9% per annum. The portion of that debt due within one year amounts to \$9,726 and is shown as a current liability under "Accounts payable and accrued liabilities".

## 10. CAPITAL STOCK:

a) The capital stock account of the Company as at January 31, 1969 was as follows:

*Authorized –*

20,000,000 common shares without nominal or par value.

*Issued and fully paid –*

15,000,000 common shares \$ 40,933

b) Supplementary letters patent dated March 4, 1969, have been issued to the Company:

- converting the 15,000,000 issued common shares into 2,000,000 Class A Common Shares and 13,000,000 Class B Common Shares; and the 5,000,000 unissued common shares into 5,000,000 Class A Common Shares; and
- creating 18,000,000 additional Class A Common Shares.

After giving effect to the issue of said supplementary letters patent, the capital stock of the Company was as follows:

*Authorized –*

25,000,000 Class A Common Shares without nominal or par value.

13,000,000 Class B Common Shares without nominal or par value.

*Issued and fully paid –*

2,000,000 Class A Common Shares \$ 5,458

13,000,000 Class B Common Shares 35,475

\$ 40,933

c) Under date of January 20, 1970, 900,000 Class A Common Shares, valued at \$20 each, have been issued as partial payment of the 100% interest acquired in the company Lohnerwerke Gesellschaft m.b.H.

After giving effect to such transaction, the capital stock of the Company is as follows:

*Authorized –*

25,000,000 Class A Common Shares without nominal or par value.

13,000,000 Class B Common Shares without nominal or par value.

*Issued and fully paid –*

2,900,000 Class A Common Shares \$18,005,458

13,000,000 Class B Common Shares 35,475

\$18,040,933

Each of the outstanding Class B Common Shares is convertible, at the option of the holder, into one Class A Common Share and 13,000,000 Class A Common Shares have been reserved for such purpose.

## 11. DIRECTORS AND SENIOR OFFICERS REMUNERATION:

The aggregate direct remuneration paid or payable by the Company and its subsidiaries to its directors and senior officers during the financial years ended January 31, 1970 and January 31, 1969 amounted to \$432,932 and \$394,892 respectively.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS:

a) The Company has guaranteed to the extent of \$175,000 in the case of Ville-Marie Upholstering Ltd., to the extent of \$300,000 in the case of Walker Manufacturing Co. Ltd., and to the extent of \$800,000 in the case of Ski-Doo Sports Ltd., the bank loans of said companies. As at January 31, 1970, Walker Manufacturing Co. Ltd., had a bank loan of \$600,000 and the two other companies had no such indebtedness.

b) Unrecorded capital commitments in respect of buildings under construction and equipment on order amounted to approximately \$1,258,000 as at January 31, 1970.

## 13. SUBSEQUENT TRANSACTION:

Under date of February 3, 1970, the Company has acquired all the outstanding Common Shares of Jarry Precision Ltd., for a total consideration of \$1,045,100 payable \$447,900 cash and the balance over a three year period, and 2,234 7% non-cumulative preferred shares with a par value of \$100 each, of said company, for a total cash consideration of \$185,422.



# AUDITORS' REPORT

TO THE SHAREHOLDERS OF BOMBARDIER LIMITED:

We have examined the consolidated balance sheet of Bombardier Limited and its consolidated subsidiaries as at January 31, 1970 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Bombardier Limited and its consolidated subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other consolidated subsidiaries.

In our opinion, based upon our examination and the reports of such other auditors, these financial statements present fairly the financial position of the Company and its consolidated subsidiaries as at January 31, 1970, the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding financial year.



Bélanger, Dallaire, Gagnon & Associés  
Chartered Accountants

Quebec, Canada  
March 5, 1970.



# THE SNOW-TRAIL THAT LEADS AROUND THE WORLD

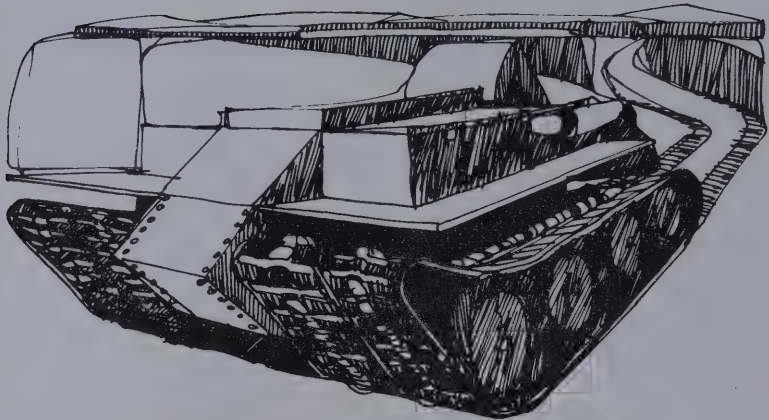
The little town of Rovaniemi, in northern Finland, is known as the Reindeer Capital of the World. This spring the annual Bombardier distributors sales meeting is held there. It is an appropriate place, for the gathering will be the symbol of a radical change in the way of life of a whole people, the hardy Laplanders. Once nomadic, following their reindeer herds, today they live in settlements and cover their vast, forbidding territories on Ski-Doo snowmobiles! Near the Cariboo Highway in British Columbia, a red-bearded cowboy herds cattle in a 40 horsepower Ski-Doo snowmobile 640 — the winter round, in all sorts of weather and terrain. The Eskimos of Canada's Northland have discarded their dog teams; so have the Royal Canadian Mounted Police. In snow countries around the world Ski-Doo snowmobile owners have discovered a new and exciting form of outdoor recreation.

The beginnings were extremely utilitarian. Back in the early twenties, Joseph-Armand Bombardier, living in the often snowbound village of Valcourt, Quebec, dreamed simply of a machine that would enable him to move out across the winter fields. Experimenting in his father's garage, he began developing a sled, steered by skis and powered by an airplane motor. It was a start.

But it was not until the middle thirties that he was able to create a vehicle with commercial possibilities. Its body was of plywood. The track assembly and floating suspension were driven by a unique sprocket system, the basis for today's corporate symbol. This one, however, was big and cumbersome. It was not a thing of beauty.

Soon, however, from the large tracked machine, Bombardier developed a series of industrial vehicles which could move easily over not only snow but muskeg, mud and swamp-land in the service of loggers, in the oil fields, and for a great number of assorted utilities. These were the forerunners of today's completely articulated tractors that can handle a seven ton payload through swamps and over marshlands. During World War II his famous armoured tracked carrier, the Penguin, sloshed through the coastal marshes of the Netherlands and the low countries for the Canadian Army. When the war was over, industrial development at Valcourt went on supplying governments and industry wherever all-terrain vehicles were needed. But, rewarding as these achievements were, Armand Bombardier continued to work on his first idea, a small personal snowmobile. At last, in



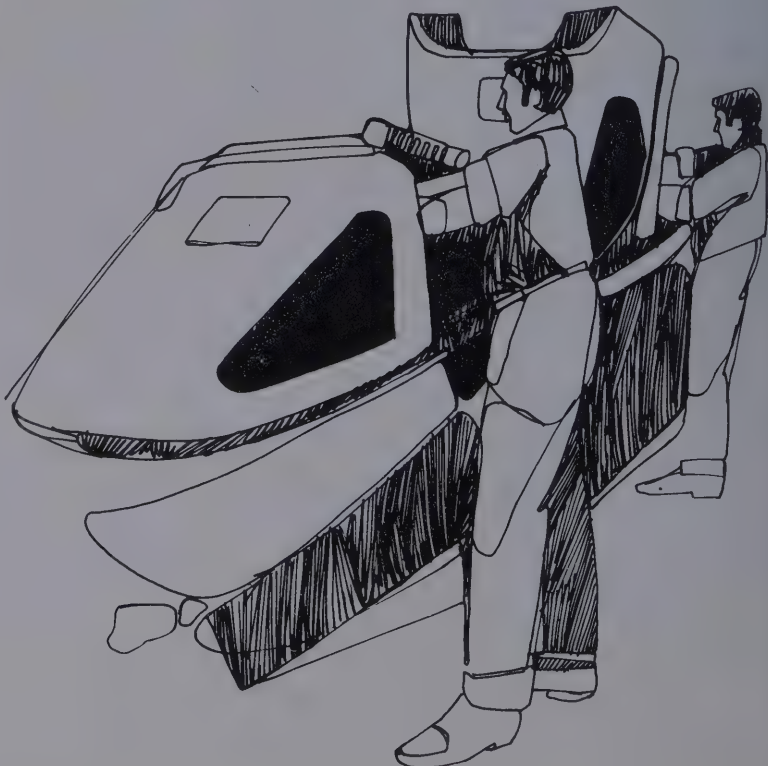


the winter of 1959-60, Bombardier Snowmobile Limited sold the first one and two passenger snowmobiles — 225 machines at a price of about \$1,000. each. The seed planted three and a half decades previously had begun to blossom. How well Bombardier succeeded is now manifest. The market for today's light, swift, efficient snowmobile has become the world. Probably no other invention so strikingly illustrates the mobility of today's living pattern. Some economists have referred to snowmobiles as riding the crest of the Leisure Market — but the wave shows no sign of cresting. All forecasts point to a positive and continuing upsweep of the trend well into the twenty-first century. Ski-Doo snowmobile ownership is in the vanguard of this progression.

In 1969, estimates showed that the entire snowmobile industry, consisting now of some 75 companies, sold over 400,000 machines, thus raising the total number in use in North America alone to approximately one million. Of these sales Bombardier has accounted for close to half. These are impressive figures. But to the Ski-Doo snowmobile owner they seem less important than the profound pleasure he knows from possession of something which has become a happy extension of his own personality. This same infectious enthusiasm is felt instantly on a visit to Valcourt. Here, in a country village, are the spreading buildings of a corporation that employs close to 5,000 workers. Add the payroll of its vertically integrated subsidiaries and the eighteen North American distributors, and the total is nearer to 7,500. Another 15,000 are employed by Bombardier's 2,500 franchised dealers. Yet the spirit that pervades the offices and plant maintains somehow the zest of the first years. Possibly the youth of the industry is a factor. The directors, too, all of whom hold active and responsible positions in the company are young men whose experience in the field is wide and deep. Ski-Doo snowmobile enthusiasts themselves, they are all "amateurs" in the true sense of the word.

This initial impression of amateurism can be deceptive, for the working directors of Bombardier Limited have fashioned a superb organization. Whereas snowmobile manufacturers in general are essentially assembly plants, putting together elements fabricated by and purchased from others, Bombardier Limited owns outright most of the manufacturing facilities that contribute to the final result. These include Rockland Industries Ltd., in nearby Kingsbury, which

produces the tracks and other rubber elements, Roski Limited in Roxton Falls, Quebec, which manufactures the fiberglass, La Salle Plastic Inc., and Jarry Precision Ltd. The largest by far is Bombardier-Rotax Gesellschaft m.b.H., which makes the two-cycle Rotax engines used exclusively in Ski-Doo snowmobiles. Bombardier-Rotax is the result of the merger of Rotax-Werk AG. and Lohnerwerke Gesellschaft m.b.H., the latter, founded in 1823, in its early days built carriages for royalty. In addition, Bombardier Ltd. owns 50% of the shares of Ville-Marie Upholstering Limited, which, with their own heat-seal equipment, make the polyurethane seats, using a process which is unique in North America. Affiliated companies which might be regarded as examples of horizontal integration are Walker Manufacturing Ltd. and Ski-Doo Sports Ltd., 50% owned, which do a thriving business of manufacturing and merchandising clothing and accessories for the sport.



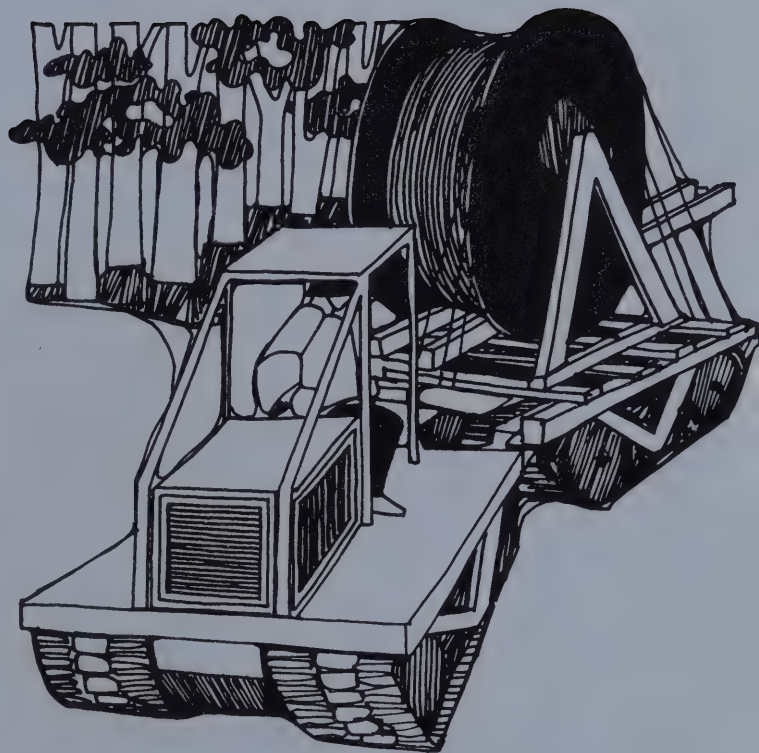


This vertical integration pattern insures command of comprehensive production facilities, synchronization of component supply with the parent company's schedules, and notable economies. It places Bombardier Limited in prime position to compete in a demanding market. Skilful articulation of elements has been a prime factor in the success of a company that in six years has seen the value of its production rise from \$13,000,000 to over \$141,700,000 in 1969-70.

The enterprise which Joseph-Armand Bombardier left to his children when he died in 1964 was well structured and stamped with the imprint of a strong personality. He had, for example, begun the recruiting of capable individuals to whom he judiciously delegated specific authority. One of these was Laurent Beaudoin, today's president. Having obtained his degree of Chartered Accountant in 1961, in May 1963 he was made comptroller. Nine months later, on the demise of the founder, a son, Germain Bombardier succeeded to the presidency and Laurent Beaudoin became a director, and secretary-treasurer as well. In October 1964, at the age of twenty-six, he was appointed general manager. Two years later, on the retirement of Germain Bombardier for reasons of health, Laurent Beaudoin was elected president and retained his position as general manager.

Under Laurent Beaudoin, the spirit and drive of young ideas is channelled effectively by the overall application of modern business practice. A computer, for example, supplies the enormous flow of detailed information without which the successful operation of a production process of such dimension and complexity would be impossible. One thinks of the four stamping machines which produce 3,000 imprints per day, of the four assembly lines turning out 1,500 machines each day of the week, of the vast number of miscellaneous items required daily to keep the assembly lines moving without a hitch, and of the machine hours and technology needed to fabricate all elements. In the Research and Development Centre qualified and experienced engineers, project officers, technicians, draftsmen, mechanics and others, create, produce, check, test and modify. 160 people are engaged in research on present and future Ski-Doo snowmobile models; 25 are similarly employed in the industrial field. For every existing model there is a carefully planned development and improvement program.

To many the name Bombardier is associated with winning



races. The distinction has been well earned. However, at Bombardier, racing — apart from resulting publicity and valuable support for distributors and dealers — is taken seriously for practical reasons. It is estimated that one weekend of racing is probably equal to a full season of average use insofar as stress on the machine is concerned. Races provide an excellent testing ground "for the improvement of the breed".

But the family-owned snowmobile is the Company's true market. In this context the safe use of the machine is of primary importance. Correct operating instructions, along with safety tips approved by the Canadian Safety Council and the National Safety Council in the United States, are explained in the comprehensive Operator's Manual that comes with each machine. The company has produced television spots on safety which have received excellent exposure on both sides of the border. Bombardier promotion stresses the fact that snowmobiles are meant for winter fun, and not for careless, senseless use.

Today, as might be expected, the name of the game is sales. The key to Bombardier sales success is found in a thoroughly coordinated marketing program. It includes sales, sales promotion, market research, advertising, public relations, shipping and scheduling. In the spring of 1969 Bombardier took over a prime location in Montreal. Its 177,000 square feet of floor space provides accommodation for an enormous stock of parts. And here, also, is the new headquarters for marketing. Here is located the "war room" for operations on the many fronts of snowmobile sales.

Marketing at Bombardier is a two step system. The first step is the regional distributor of whom there are 18 on this continent. Of these Bombardier (Quebec) Ltd., Bombardier (Ontario) Ltd., Bombardier Inc. and Ski-Doo West Inc., the newest, are wholly owned. From Bombardier AB in Stockholm, European marketing efforts are

directed. The North American distributors sell to more than 2,500 franchised dealers in ten provinces and 44 states. This year these dealers will in turn sell to over 200,000 customers.

The fullest measure of support is accorded by the company. It ranges from international advertising, through trade shows, racing, technical publications, an equitable warranty, dealer conventions, service schools and clinics, to such publicity-making events as Bombardier participation in the famous 1968 Plaisted Polar Expedition to the North Pole.

With a million snowmobiles now in use in North America, the question is sometimes raised as to when saturation will be reached. As if in answer, one recent authoritative study predicts that this continent is developing a potential demand for something close to a million purchases a year.

Modify this prediction as one may, it must appear certain that, long before such a sale figure is reached, the replacement market will have come in behind to maintain and increase the pace.

As the industry advances, Bombardier research and development, manufacturing skills, marketing dynamism and coordination of effort will keep alive the momentum, to move its leadership even further ahead in expanding the horizon for its recreational and industrial products.





# VERTICAL INTEGRATION

The most distinctive factor of the total Bombardier organization is the manner in which its affiliated companies are integrated with the head office operation. Each affiliate plays a special role which feeds directly into the requirements of the end products. Thus production, from specification to delivery schedule, is synchronized harmoniously to form an independent and efficient entity.

- Bombardier Limited
- Manufacturing Subsidiaries
- Marketing Subsidiaries
- Affiliated Companies

## BOMBARDIER LIMITED

BOMBARDIER-ROTAX G.m.b.H.

ROCKLAND INDUSTRIES LTD.

LA SALLE PLASTICS INC.

ROSKI LIMITED

JARRY PRECISION LTD.

BOMBARDIER (QUEBEC) LTD.

BOMBARDIER (ONTARIO) LTD.

BOMBARDIER INC.

BOMBARDIER AB

SKI-DOO WEST INC.

WALKER MANUFACTURING CO. LTD.

SKI-DOO SPORTS LTD.

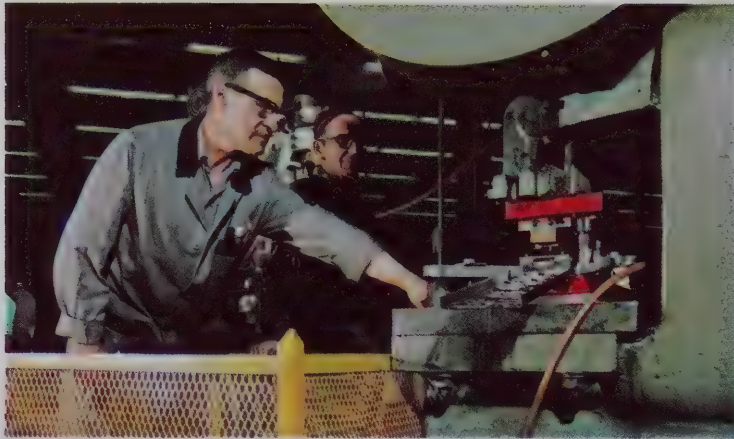
VILLE-MARIE UPHOLSTERING LTD.

DOUG'S INC.

# BOMBARDIER RECREATIONAL PRODUCTS DIVISION

On December 23, 1969, Ski-Doo production at Valcourt came to a stop. The year's total had exceeded 180,000 units, an increase of 67,000 over 1968. There was a brief pause, though the machine shop kept on turning out replacement parts, a year-round project. Then retooling commenced in earnest for the new year's models. Seven new series of Ski-Doo snowmobiles, which, over the past 13 months, have been designed, constructed in prototype, and

exhaustively tested in laboratory and on proving ground, are now being forged, moulded and assembled for 1971 markets. In the 500,000 square feet of manufacturing space at Valcourt, and in the plants of the affiliated companies, synchronized production schedules are now working in concert to produce a new record in output that will be sold in North America and Europe.





# BOMBARDIER INDUSTRIAL PRODUCTS DIVISION

The first practical Bombardier machines were produced for industrial use. In 1969 growth in this area made necessary the creation of a completely separate division, with its own research, production and marketing operations, located in a special plant in Valcourt recently expanded to over 125,000 feet. Today Bombardier off-road vehicles

have revolutionized the winter forest industry, have facilitated oil and mineral exploration. S.W. snow-plows keep clean city streets and airports. Tough and efficient Bombardier tractors serve in farming, ranching, fire-fighting, construction, and wherever the challenge of terrain is greatest.

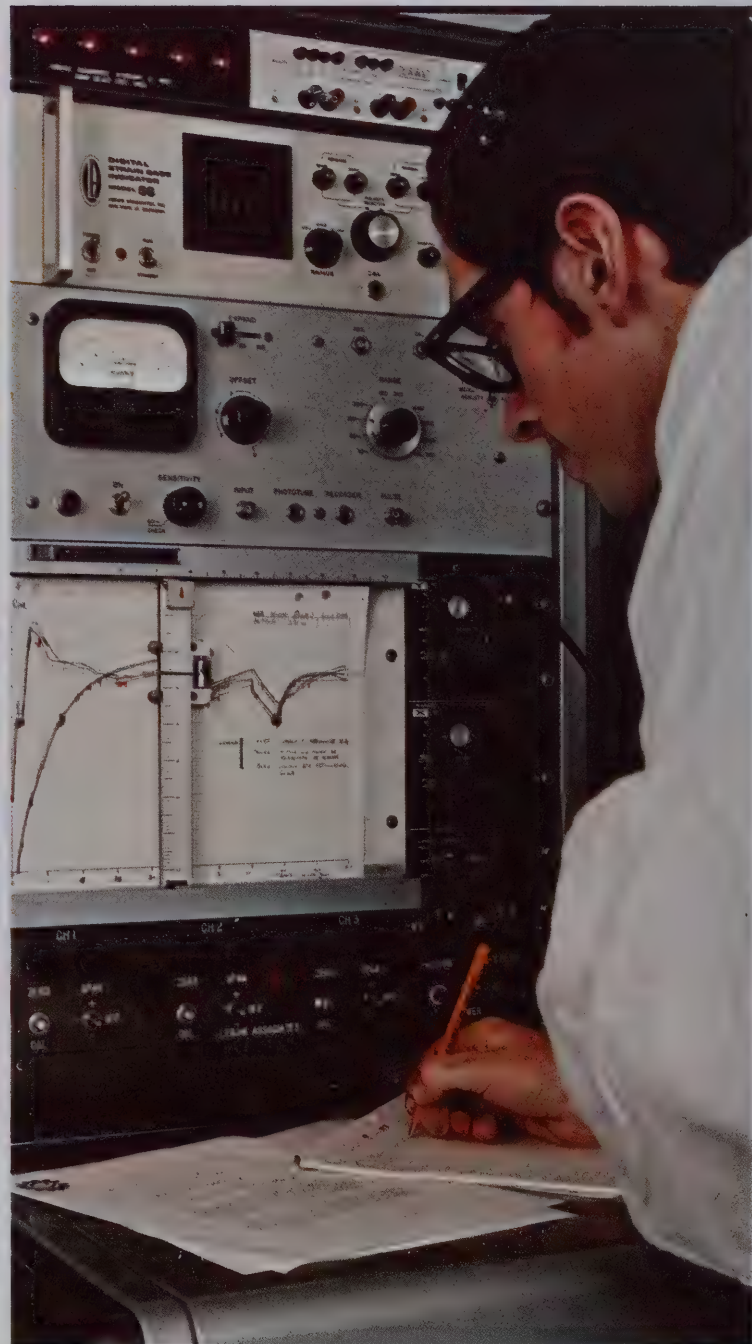




# BOMBARDIER RESEARCH DIVISION

The Research Centre at Valcourt is unique in the industry. Here are employed expert teams of engineers, designers, technicians and mechanics — one hundred and sixty in the recreational products section and twenty-five for industrial products. And here, from drawing board and laboratory to testing ground, machines are developed in the light of new ideas, field reports and marketing requirements.

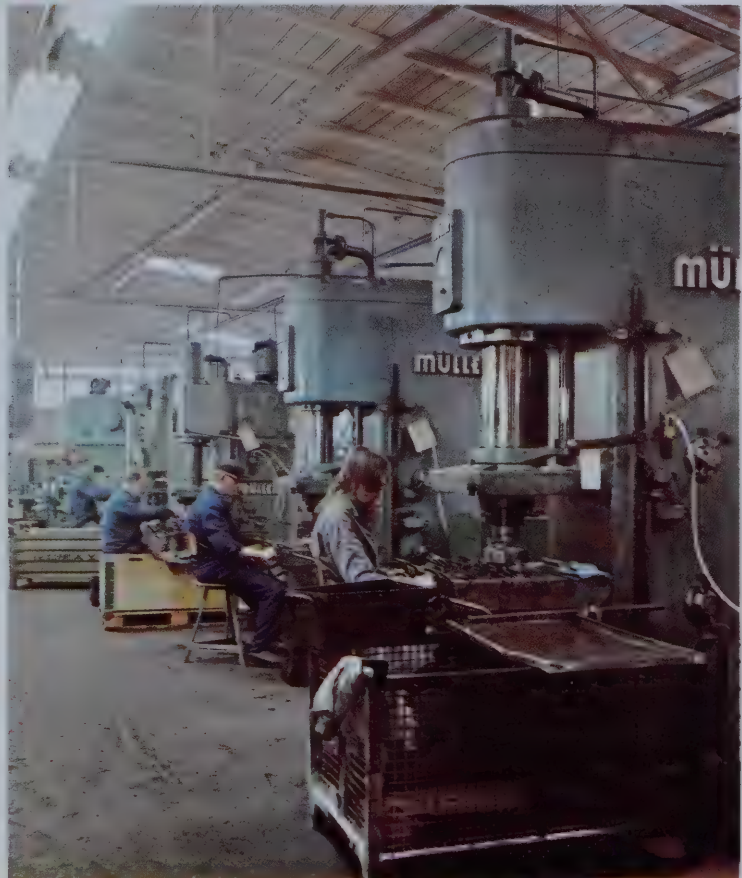
New models are conceived, designed and constructed in prototype, then put through rugged trials. Nothing is left to chance. Commencing more than a year in advance, experimentation and improvement continue without pause to maintain Bombardier leadership, whether on snow-trail or in the service of industry.





# BOMBARDIER-ROTAX G.m.b.H.

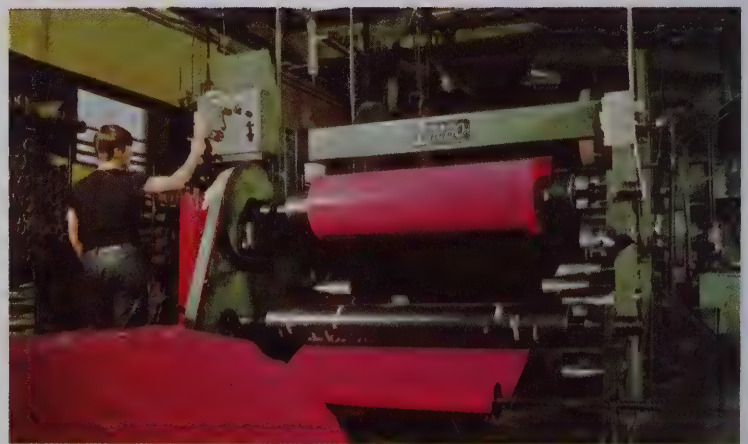
Bombardier-Rotax is the result of the acquisition of Lohnerwerke G.m.b.H., of Vienna and its subsidiary Rotax-Werk AG. of Wels, Austria. Both firms were acquired outright by Bombardier to form the most recent element in the vertical integration pattern. Rotax has since 1961 supplied the two-cycle engines used exclusively in Ski-Doo snowmobiles, and manufactures a wide range of stationary gasoline engines. Lohnerwerke, founded in 1823, has successfully manufactured and sold, among other products, street cars and light agricultural machinery.





# ROCKLAND INDUSTRIES LTD

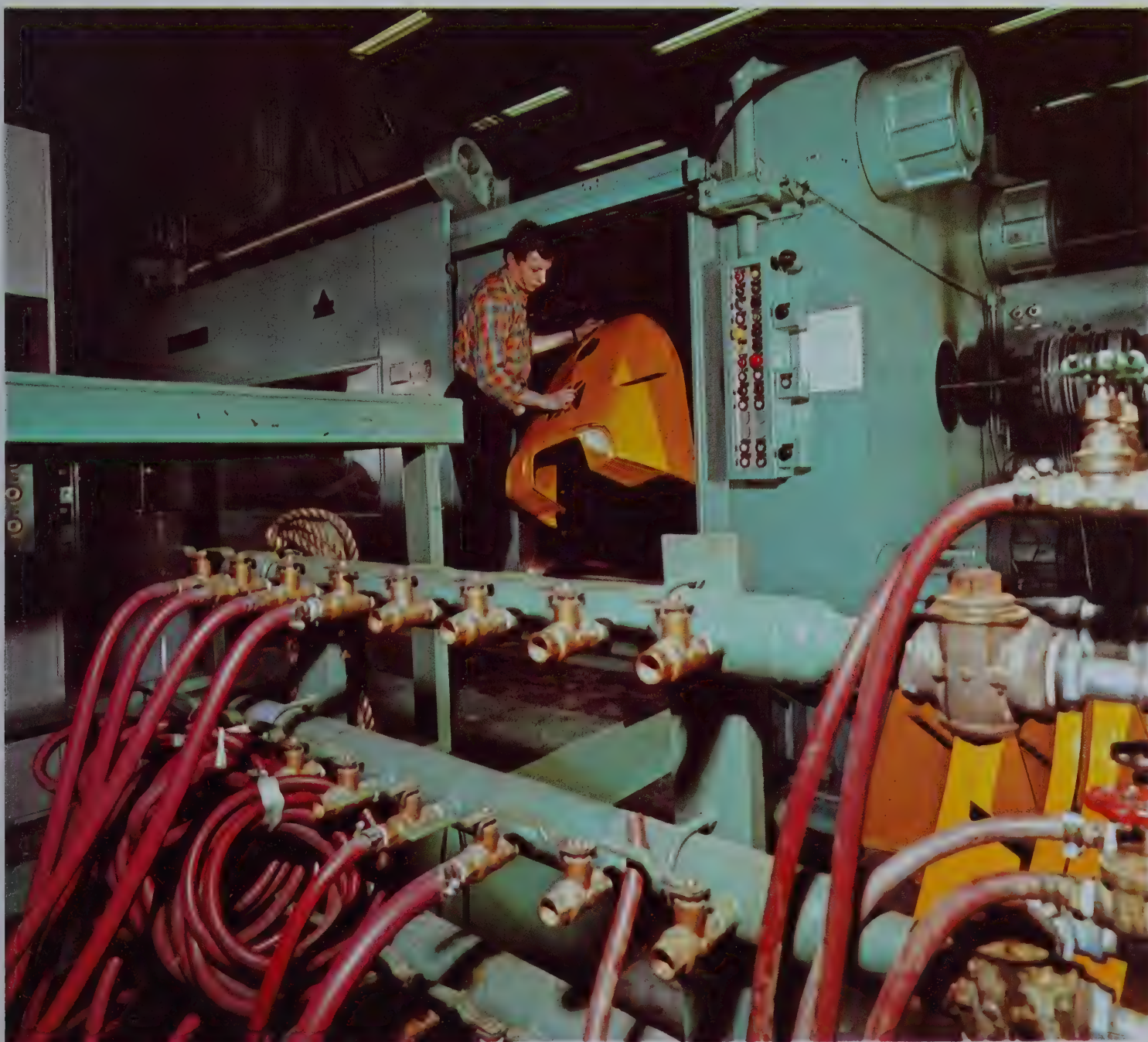
Located close to Valcourt at Kingsbury, P.Q., Rockland Industries commenced operations 17 years ago. It was the first example of Bombardier vertical integration. With new plant facilities and increased staff Rockland manufactures the tracks and other rubber elements. Today it pioneers in the processing of natural rubber into finished products. Rockland gives employment to some five hundred workers.





# LA SALLE PLASTICS INC

Founded in 1962 and acquired outright by Bombardier in 1968, the plant was moved to a new 60,800 foot location at Richmond, P.Q., 20 miles from Valcourt. It turns out an ever-growing volume of plastic parts for the parent company. Its injection moulding presses make one of the largest single plastic pieces by this process in the world: the cabin for the Nordic snowmobile.





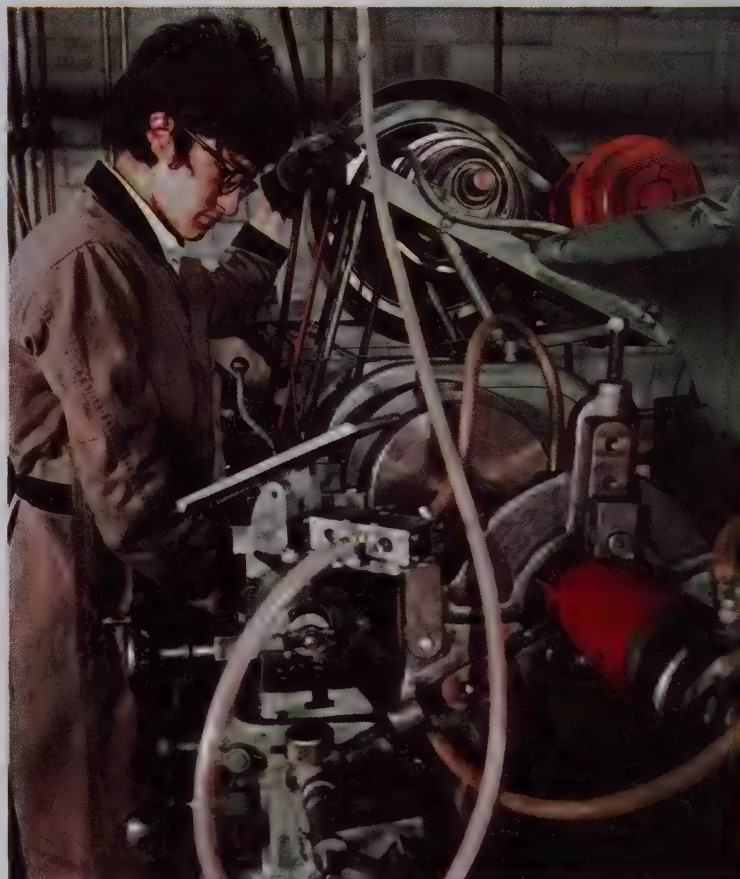
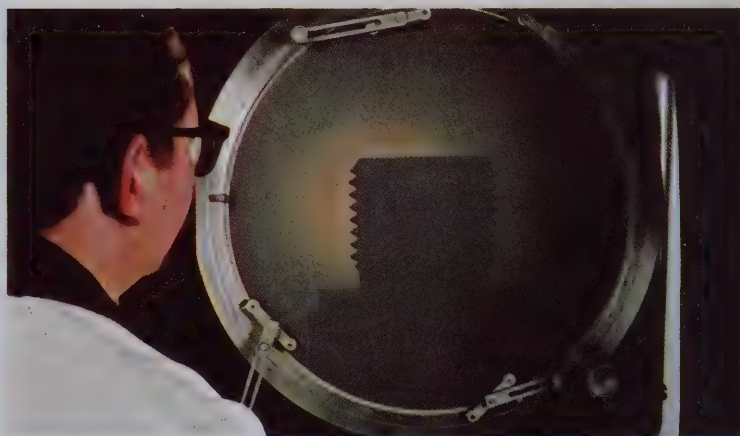
## ROSKI LIMITED

Located in Roxton Falls, P.Q., Roski Limited manufactures fiberglass parts for the Ski-Doo snowmobiles. It has become the most important user for fiberglass in Canada and produces many different Ski-Doo and Sea-Doo parts. In its 70,000 square feet of manufacturing space it employs up to 450 people.



## JARRY PRECISION LTD

Jarry Precision Ltd., located in Ville Laval, P.Q., became a wholly owned subsidiary of Bombardier in January, 1970. Here precision tools and metal parts are manufactured to Bombardier's exacting requirements. Spacious, equipped with the most modern machinery, this unit is fully integrated to insure a constant flow of essential elements to keep pace with rigorous production schedules at Valcourt, and to increase Bombardier capacity to supply the expanding and important market for replacement parts.





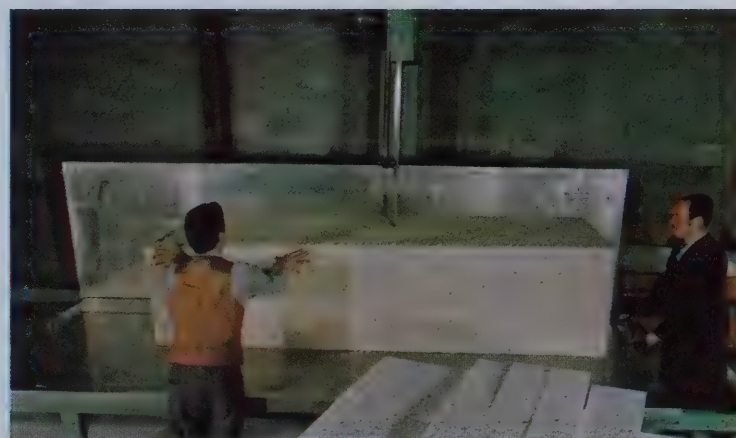
# WALKER MANUFACTURING COMPANY LTD AND SKI-DOO SPORTS LTD

A comprehensive range of outdoor wear for Ski-Doo snowmobile enthusiasts is researched, developed and made by Walker Manufacturing Company Ltd. and sold by Ski-Doo Sports Ltd. Included are all-weather snow togs from Ski-Doo sealskin boots to jackets, balaclavas, sweaters, helmets, and the famous Ski-Doo suit. Last year a full line of high-fashioned clothing and accessories for every member of the family was introduced. For the 1971 season Ski-Doo Sports Ltd. brings new styling ideas to the Ski-Doo suit to lead the way again.



# VILLE-MARIE UPHOLSTERING LTD

Ville-Marie Upholstering Ltd., in Quebec City, makes use of a technique that is unique in North America in the manufacture of the foam rubber seats used in automobiles, tractors and snowmobiles. The process starts with the chemical solution in stream. An exclusive technique is used to produce the four types of polyurethane foam of the special density required for maximum comfort in a variety of applications. The vinyl top is bound using heat-sealing equipment that is among the largest on the continent.





# DISTRIBUTION WORLD WIDE



North America







## Europe



North America and Europe are the major markets for Bombardier's recreational products. A network of regional distributors, either independent or wholly owned (see yellow areas), supplies the sales and service needs of 2,500 dealers who represent Bombardier to the consuming public.

This well-allocated distribution system assures thorough market development and makes certain that the customer can select from a complete range of Bombardier products as well as enjoy the necessary after sales service.

Industrial products are sold and serviced by qualified dealers in thirty-two countries around the world, wherever transportation is needed over snow, swamps, or rough terrain.



# MARKETING SERVICES

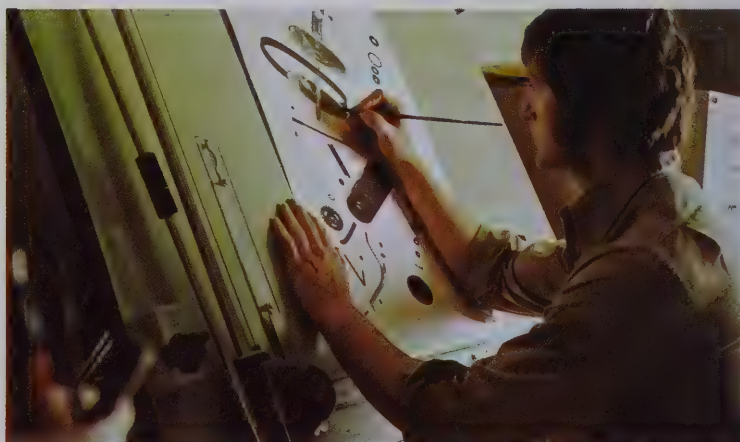
Bombardier support for its industrial and recreational distributors and dealers is based upon sound and continuing market analysis. Biannual studies of consumer reaction to snowmobiles in general and Ski-Doo in particular highlight this research. Marketing moves are planned in the light of current information, which ranges from such features affecting the buying decision as colour, style, horsepower, electric start and the like, to the broader spectrum of the long-term potential of the markets and consumer reaction to new products developed by the research and development department.

Informed and disciplined by this intelligence, Bombardier advertising is published coast to coast on both sides of the border. The excitement of this new sport is captured in a series of television commercials geared to different audiences. Full colour print advertisements in mass magazines and special interest publications are reinforced by radio commercials and by other media.

Dealers are supplied with a comprehensive package of point of sale material and impressive brochures, as well as distinctive advertising material for effective use at the regional and local level.

But Bombardier dealers are more than salesmen. The Ski-Doo snowmobile purchaser knows that the dealer he bought it from has been thoroughly instructed in a Bombardier training school, is kept up to date by technical publications, and can rely on the assurance of the Company's positive warranty.

Over all there is a massive public relations and publicity program. Capitalizing on buoyant public enthusiasm, the Bombardier public relations staff maintains constant contact with, and a steady flow of information to all forms of media. The result has been a continuous stream of exciting major magazine and newspaper articles. Bombardier has worked successfully with legislators in all parts of North America to develop reasonable controls





which will promote snowmobiling as a family sport. The development of use areas has also been a major project of Bombardier. In addition, distributors and dealers are supported by the success of a continent-wide racing program. One of the more fascinating aspects of Bombardier operation is the manner in which replacement parts for industrial and recreational vehicles are stored, dispatched and inventory controlled. At the new parts warehouse in Montreal 150,000 square feet of space is devoted to parts storage and servicing. A staff of more than one hundred employees is constantly engaged in responding to orders received from distributors acting on behalf of the 2,500 dealers they serve. Here 12,000 different parts are kept on hand at all times, ready for immediate dispatch. To insure constant replenishment of warehouse stock the most modern techniques are employed. Between the parts warehouse in Montreal and the Head Office tele-processing equipment continually transmits data to the sophisticated computer in

Valcourt. The result is a complete recording of all details, from parts number to shipping instructions, and instant service to all parts of the market. Throughout, basic corporate objectives are maintained: to strengthen recognition of Bombardier as the leader, to build market share and growth of the product, and to confirm the Company as the pioneer and innovator in this expanding market.





# A COMPANY THAT IS A COMMUNITY

Valcourt is not a typical "company town". The village was there first; the snowmobile was born there. The Bombardier organization has grown with the village, naturally, and in close association — as a family. The responsibility of maintaining the original *esprit* is a major management concern. Thus, all aspects of employee relationship at Bombardier are designed to sustain the individual's identity with the aims and achievements of the company, to enhance in meaningful ways a sense of security, recognition, fair reward and advancement potential.

At the heart of this relationship is communication. Channels are provided to enable each employee to play his part in the company's success, and to be aware at all times of his own progress and prospects. To advance the latter, technical training is provided. Two representative employee organizations, le Conseil de Bonne Entente and le Comité des Cadres, meet regularly with management on matters of mutual interest. Bombardier News, an attractive monthly publication, is sent to all employees, distributors, dealers, and associated interests.

Company policy with regard to wages, life, health and accident insurance, vacations with pay on a graduated scale, pensions, sick leave and holidays, is among the most advanced and generous in the nation.

In addition, and in keeping with the making of a product designed to add to the enjoyment of life, employees benefit from company-supported social activities. These include a private golf club, a fishing lake, an Olympic size swimming pool, a great annual Winter Carnival, a one thousand seat arena for hockey, badminton and tennis, an automobile club, and a club devoted purely to fun, le Boute-en-train. These are coordinated by a specialized department in the field of social, cultural and sport activities.

Life at Valcourt is good. Perhaps this explains why, in spite of the youth of the company, the President's Club, whose members have worked for Bombardier for 20 years or more, now has a roster of thirty.



## SKI-DOO MODELS FOR 1971

The Ski-Doo purchaser has now seven distinctly different series to choose from, including two new vehicles: ÉLAN, the first compact snowmobile with full size performance yet at the lowest price in Ski-Doo history; VALMONT, a new light-weight sporty twin-track, built to tackle every type of snow country with ease and versatility. Advances in design and performance mark the new versions of current favorites too: NORDIC, the ultimate in the luxury snowmobile; the light-footed OLYMPIQUE sports model; T'NT, high-powered and speedy; ALPINE, tough work-horse champion; and the great power-packed professional racer, BLIZZARD.



## INDUSTRIAL PRODUCTS

This year's list of industrial machines produced at Valcourt will again be comprehensive. It will range from the giant TERRAIN MASTER to the bug-like S.W. tractor which, among its other uses, clears the snow from sidewalks in more than 600 North American cities. Featured again will be the 6,000 lb. payload MUSKEG carrier, the all-purpose J-5 and the new addition to the Bombardier Industrial Products family, the S.V. 250 tractor for use on ski slopes.







BOMBARDIER LIMITED, VALCOURT, QUEBEC, CANADA

